Automation Backlash

Speedy Office Machines Pour Out Enough Paper To Bury Their Users

Sales Manager Gets Report Wheeled to Him on Dolly; Ford Steals Xerox Knobs

One Solution: Simpler Forms

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At Ford Motor Co.'s well-guarded headquarters in Dearborn, Mich., all the knobs that set Xerox copying machines to churn out multiple copies of documents were stolen one recent day.

The thieves: Ford's office managers—who saw no other way to combat the snowballing tendency of employes to set the machines to turn out extra copies which can cost a nickel each. Ford office workers now have to push a button on the knobless machines for each extra copy they want.

Ford's thievery was a desperate attempt to solve one of the less-publicized problems of office automation. Modern copying machines may free secretaries from smudgy carbon paper, and computers may prepare almost instantly sales reports on thousands of products that once would have tied up an army of clerks. But there is strong evidence that the very speed of these machines has been intensifying the paperwork blizzard now snowing many executives under.

Costs Spiral Upward

The problem is severe. Some 50 million steel file drawers now hold an estimated 250 billion pieces of paper in American offices, and the total mounts daily. Consumption of office paper is climbing 6% a year; so are sales of office forms, now estimated at $700 million annually. By one estimate paperwork cost of running the U.S. economy has climbed to over $100 billion annually—a sum equal to one-seventh the nation's total yearly output of goods and services.

Modern machines whip through this paper at blinding speed. Some IBM machines "print out" statistic-laden forms at 1,000 lines a minute, or more than 100 times a good typist's speed. By one estimate the nation's 25,000-odd computers now pour out 7,300 miles of paper a day. Copying machines, says one paper company, now produce 10 billion pages a year, and will pour forth 25 billion yearly by 1970.

The resulting ability of the machines to prepare current and highly detailed reports on marketing, finance and other business operations can be of tremendous value to corporations. But it also appears to have bred a new office version of Parkinson's Law: The more paperwork that can be produced, the more paperwork is in fact produced. Management consultants say the desire of office-machine users to get the most out of their expensive equipment is leading them to deluge managers with more information than they need or can use—at a cost that often is much higher [illegible]

[illegible] Summary

Robert A. Shiff, president of Naremco Services, a New York consulting concern, recently watched the head of a major corporation haul a monthly operations report out of his desk. It was at least four inches thick. Said the executive: "I don't need anything but the summary on the first two pages. If I want something else, I know who to call."

At another company, a sales manager who had just learned of the awesome capabilities of his company's computer asked for an itemized sales report on all his company's products. It was duly prepared, and wheeled into his office on a dolly.

Some presidents, says Mr. Shiff, now see 150 documents a day. At many companies, the results can be pernicious.

William F. Breitmayer, president of Executive Register, Inc., which helps companies fill executive jobs, recently asked clients why they were stressing so often that they wanted a "man who can make decisions." Their answer: Their executives were having trouble making decisions because they were being presented with too much information.

In like vein, a Magnavox Co. of Tennessee manager recently wrote to The Office magazine that, because of "overautomation . . . relationships between managers have been reduced to haggling over the correctness of the voluminous detail in a tab (tabulating card) run."

A Revolt Fails

What's more, attempted revolts against the paperwork increase often fail. In another letter to The Office magazine, William L. Crunk, general manager of sales offices administration at Reynolds Metals Co. in Richmond, Va., described six different tactics that had been tried in his office to lessen use of copying machines. They included "executive directives threatening to remove a machine if (it was) not used more judiciously."

So far, Mr. Crunk confessed, "none of these methods has worked. Our costs continue to soar, but perhaps we will continue to use the copying machine because it is so convenient."

Such feelings aren't the only reason, of course, that the machines are making the paperwork storm worse. John T. Garrity, a director of the consulting firm of McKinsey & Co., suggests that office gamesmanship leads many companies to have their machines produce more reports than executives really need.

Many executives, says Mr. Garrity, wade through reports that are more detailed than necessary because they fear that the boss, knowing that new machines are capable of preparing infinitely complex reports, "will ask them about some detail to see if they are on their toes." He adds that some reports are copied for circulation to executives who don't need them just so that these executives won't feel slighted. "It's a sad sight to see executives going home at night to be slaves to their reports," he says.

Some added paperwork seems to have been forced on companies by governments, which have found that with computers of their own they can handle more information supplied by companies—and therefore have asked the companies to supply that extra information.

In hearings before a House committee last

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year, the Internal Revenue Service disclosed that without electronic data processing it would not be able to handle the expanded data businesses and individuals must now supply on interest and dividends. Supplying this data adds especially to paperwork of lending institutions. It was estimated at the hearings that meeting the reporting requirements of various governments now costs companies and individuals $20 billion a year.

Misuse of office machines adds to the problem. One railroad felt it needed 30 copies of a detailed accounting report, but its computer could make only an original and nine carbons. So the railroad ran the same data through the computer three times—thus using the computer as an ultra-expensive copying machine.

Later the railroad switched to a device that copies the computer "print-out" on microfilm, from which copies can then be made, saving some $30,000 a year. Christopher A. Cameron, president of Leahy & Co., a New York consulting firm, believes many companies will be forced to adopt similar techniques "to prevent themselves from being moved right out of the office by the paper their computers generate."

Trimming Reports

As this might indicate, paperwork and its cost can be curbed, and though some revolts have failed, more are being launched. Chrysler Corp. recently found that President Lynn A. Townsend could get along with only 36 regular monthly reports, rather than the 69 he had been receiving.

Other companies are reducing the size of reports by having them include only data that indicate deviations from normal, leaving out voluminous statistics on conditions that present no problem. Pacific Gas & Electric Co. is considering greater use of this technique in an overhaul of its computerized reporting of such things as the water level of lakes behind its hydroelectric dams.

Suppliers of office forms are working with many companies to cut paperwork costs by simplifying the forms. They figure that, even if some of their forms are thrown out, they will earn customer good will.

"Our aim is not to add to the avalanche of paper that engulfs businessmen today," says Kenneth P. Morse, president of Standard Register Co., a Dayton, Ohio, forms supplier. Standard recently helped Allied Chemical Corp. replace 128 separate purchasing and receiving forms it had been using with 6 basic forms. Allied estimates the simplification will save about $25,000 a year.

Blank Checks for Suppliers

Standard Register also is pushing what it calls a "purchase order draft." A company using this in effect sends a blank check to a supplier when it places an order under a sum specified on the check. The supplier fills in the check (actually a draft on the sender's bank account); there is no need for the supplier to send a bill or for the customer to return an actual check. Standard Oil Co. (Ohio) figures this system will save it some $100,000 a year.

Some companies are trying to cut the cost of preparing business letters, which is estimated at $2 each. Minnesota Mining & Manufacturing Co. has developed a "short-note reply" technique that works this way: An executive receiving a letter that can be answered briefly and informally scrawls his reply in the margin and attaches a "short-note reply" sticker to the letter. His secretary runs the letter with his reply through a copying machine and mails off the original or the copy.

Grayarc Co., Brooklyn, N.Y., produces a Quick-Letter form—a small sheet of paper backed by an attached carbon and duplicate form. The sheet has a small space for a message and, below, a space for the reply. The sender writes in the message space and mails the form. The receiver writes in the reply space, tears off the carbon and returns either carbon or original to the sender. Besides saving paper, says Grayarc, the form encourages brevity.